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TO RUEHC/SECSTATE WASHDC 9712
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEAIIA/CIA WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 03 NICOSIA 000186

SIPDIS

DEPT FOR EUR/SE

E.O. 12958: DECL: 03/09/2019

TAGS: [PGOV](#) [PREL](#) [TR](#) [CY](#)

SUBJECT: CYPRUS: TURKISH CYPRIOT "GOVERNING" PARTY DOWN,
BUT MAYBE NOT COMPLETELY OUT

REF: A. NICOSIA 17
[1](#)B. NICOSIA 132
[1](#)C. NICOSIA 165

Classified By: Ambassador Frank C. Urbancic for reasons 1.4(b) and 1.4
(d).

[1](#)1. (C) Summary: The "governing" Republican Turkish Party (CTP) hopes to close a fifteen-point gap with the opposition, hard-line National Unity Party (UBP) by turning the upcoming April 19 "parliamentary" elections into a debate over UBP's retrograde past, rather than CTP's own lackluster governance and limited success with its pro-solution agenda. CTP supporters argue that the party can still win, thanks to an opposition plagued by even higher negative numbers than their own. Others, however, believe that popular outrage is insurmountable, caused largely by the dismal economy in northern Cyprus, and that the best CTP can attain is a close second-place finish. Thinly-veiled attacks on UBP by "TRNC President" Mehmet Ali Talat -- officially neutral in the race but clearly worried over the prospect of an anti-solution, UBP-led government -- may fall flat with the increasingly cynical Turkish Cypriot community. CTP insiders report having received mixed signals over Turkey's preferences and, to date, no concrete support in their bid to stay in power. End Summary

"I'll become a butcher if CTP wins!"

[1](#)2. (C) A March 3 poll commissioned by leading T/C daily "Kibris" and conducted by respected polling outfit KADEM put CTP a distant second with just 28.3 percent of the vote, while main opposition UBP tallied 43.4 percent. CTP publicly dismissed the poll as "fabricated," given the paper's stridently anti-CTP editorial policy, which many attribute to revenge by its fugitive owner, Asil Nadir, who recently lost a major government tender. Party insiders confirmed the dismal figures, however. Talat's press secretary and CTP Central Executive Committee member Hasan Ercakica confided to us on February 12 that unreleased polling conducted for Talat by Turkish companies in January give UBP and CTP numbers nearly identical to KADEM's. Asim Akansoy, Talat's chief of staff, told us on March 9 that the "Kibris" poll was sound -- in fact, he had had a Turkish polling company check KADEM's work and had full confidence in it. KADEM owner Muharrem Faiz told us on February 3 that he would "become a butcher" if CTP emerged number-one from the April 19 "parliamentary" elections.

"We deserve the public's outrage"

[1](#)3. (C) Ercakica said on March 5 that CTP deserved the

public's outrage because of its economic mismanagement and poor governance. He joked that the "TRNC" economy had to be run like a company, not a "country," since the Turkish Cypriots did not even control their own monetary policy. (Note: The economy is the primary issue for Turkish Cypriots (Ref A).) Respondents to a July 2008 KADEM poll named inflation as the number-one problem facing the north (36.2 percent), with growing unemployment in third place (26.3 percent). In the March 3 "Kibris" poll, 61.4 percent claimed to be worse off today than when CTP took "power" in December 2005, a staggering figure since CTP claims to have tripled per capital GDP to \$15,000 in the very same period.

¶4. (C) Akansoy blamed "PM" and CTP leader Ferdi Sabit Soyer, who, he charged, constantly antagonized key groups like trade unions and the business community -- hitherto key elements of CTP's election formula -- without achieving anything in the bargain. He complained that Soyer had higher negatives than the party itself. Akansoy claimed that his polling indicates a slow erosion of CTP support since 2006, down to its core of 25 percent. It had posted an all-time high of 44.5 percent in December 2005.

"People are tired of the Cyprus Problem"

¶5. (C) CTP, whose raison d'etre is the reunification of Cyprus as a bi-zonal, bi-communal federation, has been badly hurt by the slow pace of the current UN-brokered settlement process and a concomitant attitude of resignation among Turkish Cypriots. Omer Kalyoncu, CTP's number-two, told us on February 5 that the Turkish Cypriot people had simply

NICOSIA 00000186 002 OF 003

grown tired of the Cyprus Problem. Salih Izbul, a CTP "deputy", joked with us on March 5 that people in the villages were more interested in high-paying state sector jobs for their children and constantly needed to be reminded of UBP's anti-solution stance.

¶6. (SBU) Polling supports their analysis: according to the March 3 "Kibris" poll, approximately 63 percent of Turkish Cypriots support a two-state solution, while 54 percent would vote "no" if the 2004 Annan Plan referendum were held again today. KADEM's July 2008 poll paints a similar picture, with 62 percent supporting two independent states and 67 percent rejecting the Annan Plan. Such attitudes correspond closely with UBP's rejection of the bizonal, bicomunal UN process and support for an enduring "TRNC."

"Thankfully UBP candidate list is worse than ours"

¶7. (C) CTP strategists are hoping to tar UBP by capitalizing on the high personal negatives of a host of pro-UBP and nationalist figures, as well as a weak UBP candidate list. CTP's top targets include the septuagenarian hard-line UBP leader Dervish Eroglu, "Kibris" owner Asil Nadir, and Rauf Denktash, the pro-Turkey, "deep state" stalwart whom the pro-CTP press has been trying to link to Ergenekon. Kutlay Erk, Talat's special envoy and former CTP Nicosia mayor, told us on March 6 that ham-handed attacks by the Nadir-owned "Kibris" against CTP, combined with Denktash's call for Talat to resign in the event of a UBP victory, have motivated the party faithful. Ercakica, himself critical of CTP's own list of candidates, joked with us that thankfully the UBP candidate list -- a largely "usual suspects" group of fifty-something nationalists -- was less electable than CTP's.

¶8. (C) Candidates' personalities and bona fides are paramount in the intimate Turkish Cypriot community, where election rules allow voters to split their tickets among various parties. Pollster Faiz told us that in this election, up to 18 percent of voters will vote a split ticket, versus a norm closer to 7-8 percent in prior

"parliamentary" elections. T/C parties zealously await the announcement of each other's lists to see if they have any comparative advantages, he added.

CTP Split on Chances to Recover

¶9. (C) Party leaders are split on how much of the gap CTP can close. Erk and Nicosia CTP election chief Unal Findik still believe that CTP might be able to eke out a narrow victory. They claim the party has started from a deficit and emerged victorious in recent races. Others are less sanguine. Akansoy dubbed CTP's electioneering a "balloon, full of gas but ultimately hollow." He warned us not to fall for CTP boasting of a come-from-behind victory, since, according to his polls, half of undecided voters -- about seven percent of the electorate -- would not consider voting for CTP under any circumstances. Ercakica thought the party could narrow the gap with UBP to about 3-5 points provided its plan to demonize UBP succeeds. He believes that a close second-place finish by CTP would make it possible, provided AKP is game, to forge a three-party coalition that excluded a first-place UBP.

¶10. (C) CTP's first volley in its election strategy--a ham-handed attempt to squeeze back-taxes out of "Kibris"--appears to have misfired. A call by CTP "Finance Minister" Ahmet Uzun on March 11 for Nadir to pay an alleged 11 million TL debt (about 6 million dollars) resulted in a rather large scale anti-CTP rally in front of "Kibris." After much back and forth, Uzun announced that the papers' accountants would work with the "Ministry" to pay the back taxes. Most of our contacts believe the move hurt CTP and its image as defenders of free speech, hitherto deserved without reserve.

"The new 'government' will have to support the peace process"

¶11. (C) Talat clearly worries that an election victory by the hard-line UBP would limit his ability to negotiate and create a messy cohabitation with the "TRNC forever" party, UBP. While officially neutral in his role as "President," Talat, the former CTP leader, has on several occasions stated that any new "government" has to abide by the bi-zonal,

NICOSIA 00000186 003 OF 003

bi-communal parameters of the present talks, a clear shot at UBP. How effective his pro-solution appeals are with a sullen, resigned Turkish Cypriot community is far from clear, however.

Unclear whom Ankara favors (if anybody)

¶12. (C) CTP insiders say official Turkey does not have a clear favorite in the race and has done nothing overtly to support CTP's efforts. Ercakica said that the Turkish Foreign Ministry, especially Undersecretary Ertugrul Apakan, would like to see a grand "coalition" of UBP and CTP in order to force through sorely needed but highly unpopular and painful public sector reforms. He claimed, however, that AKP, namely PM Erdogan, FM Babacan, and EU Negotiator Egemen Bagis, favored (but were not wedded to) a continuation of the present CTP-ORP coalition--a dim prospect given ORP's own dismal poll numbers, which hover around the 5 percent barrier. CTP's pro-solution stance, antipathy towards Eroglu, and party-to-party connections between ORP and AKP underpinned AKP's position, Ercakica believed. Akansoy differed in opinion, however, saying that Erdogan was "completely fed up" with CTP leader and "PM" Soyer because of his inconsistency and inability to deliver on promised reforms. Consequently, it was unclear what help, if any, AKP would provide to CTP during the elections. Akansoy told us on March 17 that PM Erdogan told Talat during their impromptu meeting on March 13 that he "would do his best" to help,

without going into any specifics.

¶13. (C) Comment: There is no denying the widespread public anger at CTP over its poor record on governance, which is now exacerbated by an economic meltdown and an official unemployment rate hovering around 10 percent. Furthermore, CTP has a much smaller party base than UBP, which, even in its worst performance, won 32 percent of the vote in 2005. Appeals that only CTP can deliver a Cyprus solution may also fall on deaf ears, given that the present settlement process has hobbled along without producing major "victories" for Talat and the CTP-led "government." That said, UBP has little new to offer the T/C public, is hurt by its highly unpopular leader Eroglu, and still needs to get through the next five weeks without making major gaffes.

Urbancic